



NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

Serving Farm, Industrial and Outdoor Power Dealers

1195 Smizer Mill Road • Fenton, Missouri 63026-3480 • Phone: (636) 349-6221 • Fax: (636) 349-5443 • www.naeda.com

**TESTIMONY OF
BOB FRAZEE
BEFORE THE AGRICULTURE COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
SEPTEMBER 13, 2006**

Good Morning:

My name is Bob Frazee and I am a John Deere Equipment dealer in Cazenovia, New York. We are a family owned multi-store dealership, which is operated by me, my wife and our three sons, with locations in Cazenovia, Chittenango, Cortland, Clinton, Herkimer, Lafayette, South New Berlin, and Oneonta, N.Y. Our dealerships sell and service agricultural, commercial and consumer equipment, work site products, and golf and turf equipment.

I also serve as chairman of the board of the North American Equipment Dealers Association (NAEDA), which represents nearly 5,000 retail agricultural, industrial and outdoor power equipment dealerships in the U.S. and Canada. Collectively, these dealerships employ approximately 100,000 people. NAEDA is an association that works with 15 affiliated associations in the US and 3 in Canada. It is on their behalf – and the dealerships we serve – that I am here today to talk to you about the 2007 farm bill.

NAEDA's present farm bill policy reads as follows:

“For the 2007 farm bill, NAEDA supports legislation that provides for planting flexibility, provides a safety net for producers that also considers extreme weather conditions and trade related issues, balances the needs of conservation and the needs for active producing lands, considers trade issues, supports education and research efforts and provides for rural development activities that includes agricultural credit, beginning farmer programs and value-added programs for a renewable bio-economy.”

To clarify that policy I offer the following comments for your consideration.

As an association that represents equipment dealerships, which for the most part are located in rural areas, we have identified a rural development need – to retain and hire quality employees to work in this industry. A survey conducted in the summer of 2005 in several mid-western states by two of our affiliates found that every dealership that responded to the survey had at least one immediate technician vacancy, and more importantly, was looking to add two or three additional technicians as employees in the next three to five years. While this survey only targeted technicians, we know it is equally challenging for dealers to recruit people to manage dealerships or work in sales or parts positions.

Using our total membership, this equates to 5,000 immediate vacancies, with 10,000 vacancies or more to be filled in the next few years. And this is only for technicians. We ask Congress to consider allocating funds in the next farm bill to help alert individuals and our youth about the employment opportunities in agriculture. Vocational education and other job retraining programs should also be considered and supported to train and enable individuals to stay and work in rural areas in businesses such as mine.

We also believe the next farm bill should support a national energy policy with realistic and achievable goals to make the U.S. more self-sufficient and less reliant on foreign energy sources. The farm bill energy title could be used to help reduce the nation's dependence on foreign energy sources. A comprehensive energy title should:

- Promote conservation of all fuels.
- Encourage universities and other institutions and organizations to conduct research and provide education programs about energy.
- Encourage the development of alternative fuels, renewable fuels and next generation technologies for wind, biomass, and coal.
- Oppose the use of government incentives for any imported biofuel.

On the matter of conservation, we support balancing the needs of conservation with the needs of land used for food, feed and energy production. We suggest the USDA reevaluate the criteria for reenrolling land into conservation programs, particularly the Conservation Reserve Program (CRP). We believe more emphasis should be placed on and authority given to each state's Farm Service Agency to determine CRP payment rates and acreage qualifications. Many of our dealers have indicated that far too much land has been taken out of production (as dictated by Washington) in their areas and at payment rates that exceed local market conditions. Where this has occurred, rural areas and businesses have suffered from the decline in overall economic activity. Again, if the farm bill has an adequate energy title that incorporates CRP and other conservation acres, they could become part of the environmental benefits and energy security that society wants today.

Another conservation area in which we have an interest is the use of carbon credits for carbon sequestration. If landowners, farmers and ranchers, whether on private or public lands, were allowed to sell "carbon credits" to companies, it could bring new nongovernment revenue sources to the conservation table. This could give producers additional options for their operations and still provide desired conservation benefits.

We also believe the next farm bill should contain specific language in which the USDA is given the leadership role and clear duties (working thru ARS and universities) to establish "conservation" benchmarks. These benchmarks should be of sound science, measurable and consistent with the best management practices for each state or region of the country. If we are to have public support and funding for conservation measures, the public must know that progress is being made on a set of measurable goals, whether they deal with livestock, wildlife, dust, air or water quality. The established goals should also incorporate air and water quality goals outlined and/or regulated by the EPA that have an effect on agriculture and the businesses we represent.

Our last issue is trade. We believe trade policy will change the guidelines for the next farm bill. We want to encourage Congress to be cautious of how Brazil's winning WTO decision on cotton is interpreted and formulated in the next farm bill. Compliance with trade rules can be achieved with proper "green box" alignments, rural development initiatives, research and the like. Rural America depends on agriculture and agriculture needs a farm bill that considers and incorporates "fair trading rules and level playing field concepts," if we are to expect agriculture growth and expansion and long-term prosperity for agribusinesses, such as equipment dealers.

On behalf of the North American Equipment Dealers Association, thank you for the opportunity to appear before this committee. I am confident that when this process is complete, you will be able to develop a comprehensive farm bill that will meet the needs of the public, our producers, agribusinesses, and rural America.

I will try to answer any questions you might have.

Thank you.



North American Equipment Dealers Association

"Committed to building the best business environment for North American equipment dealers"

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BIOGRAPHY

Robert J. (Bob) Frazee
Chairman
NAEDA Board of Directors

Robert J. "Bob" Frazee is chairman of the NAEDA board of directors.

Frazee and his family own Cazenovia Equipment Co., Inc., a John Deere multi-store dealership with locations in Cazenovia, Chittenango, Cortland, Clinton, Herkimer, Lafayette, South New Berlin, and Oneonta, N. Y. Cazenovia Equipment handles agricultural, commercial and consumer equipment, work site products, and golf and turf Equipment. The dealership's Web site is www.cazenoviaequipment.com.

Frazee has been in the equipment business for 34 years. He started his career with the John Deere Company in 1972. He purchased an interest in Cazenovia Equipment Co., Inc. in 1975.

Frazee is active in his association. He is a past president of the former New York Equipment Dealers Association and currently represents the Northeast Equipment Dealers Association on NAEDA's board of directors, where he serves on NAEDA's Executive, Audit & Finance, and Manufacturer Relations Committees. He also serves on the board of directors of the Equipment Dealers Foundation.

Frazee is active in a number of local organizations, with service on the New York Farm Show board of directors, Cazenovia Village Planning Board and Cazenovia Board of Trustees. He is currently chairman of the finance committee at his church, St. James, in Cazenovia, and has been active in youth activities, such as coaching youth hockey, Pop Warner football and little league baseball teams.

Frazee graduated with a B.S. degree from Cornell University. He is a lifelong resident of central New York and enjoys sailing, skiing and motorcycling in his free time.

Frazee and his wife "Juli" have been married 29 years. Their three sons, Mike, Jim and Ben, are also involved in the dealership.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Robert J. Frazee

Address: Cazenovia, NY

Telephone: 315-655-8620

Organization you represent (if any): _____

North American Equipment Dealers Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____ X

Signature: Robert J. Frazee

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.